



## Idaho Leads Nation in Second Quarter Job Creation

Idaho Gov. Jim Risch announced that the Idaho economy produced new jobs at the fastest pace in the nation between the second quarter of 2005 and the second quarter this year.

The 31,100 new nonfarm jobs generated over the four quarters represented just over 5.1 percent growth. Nevada was second right at 5.1 percent and Arizona third at 4.78 percent.

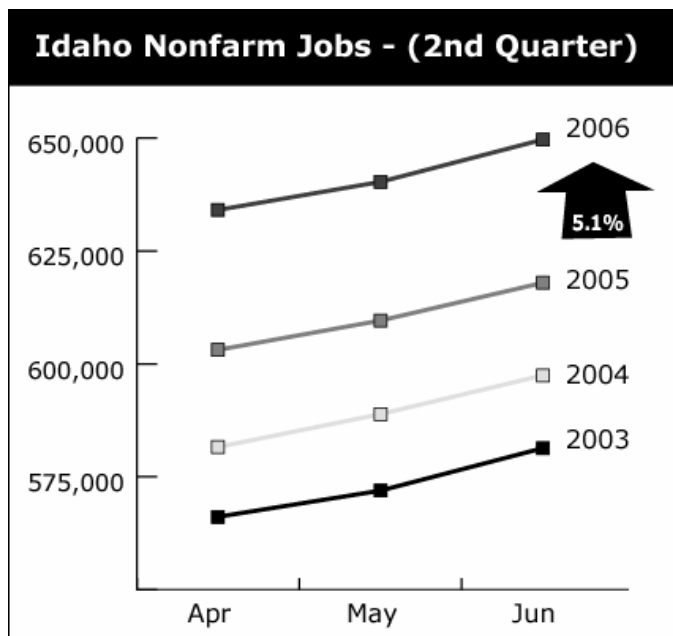
Nationally, nonfarm jobs increased 1.4 percent.

“The evidence continues to mount on the strength of Idaho’s economy,” the governor said. “The commitment of our labor force and the quality of life Idaho offers are the real magnets for business creation, expansion and relocation.”

Over 3,100 more employers were operating in the state on June 30 than a year earlier.

After hitting a record low of 3.2 percent in March, the state’s unemployment rate has moved only slightly higher in the succeeding months and still remains well below the 4 percent level that economists have traditionally called full employment.

“Our economy has been explosive for more than a year now,” Commerce & Labor Director Roger B. Madsen said. “The fact that we led the nation in job creation year over year for the second quarter shows just how robust our growth has been. But there are signs that growth is moderating and likely moving to a more stable level.”



The precipitous decline in unemployment insurance claims the state recorded during the early months of 2006 has slowed. While the number remains extremely low, it has leveled off in May and June at a time when historically there have continued to be significant decreases.

“Indicators point to another strong third quarter but at more a moderate, sustainable level,” Madsen said.

Several economic soft spots remain in the state, the largest being the Lewiston area where there was no growth in nonfarm jobs over the year. North central Idaho’s metropolitan area has been waning for years. Total nonfarm jobs for the second quarter has leveled off with fluctuations of less than 1 percent up or down in the past five years and this year was about midway between the high and low since 2001.

Madsen renewed the department’s commitment to ensuring the economic expansion is felt in every part of Idaho while at the same time keeping a close eye on national and international events such as the strife in the Middle East, high fuel and energy prices and rising interest rates that can severely impact the state’s economy.

“The initiatives by the governor and Legislature to improve broadband access in rural communities, help small towns deal with rapid growth and upgrade the skills of Idaho workers so they can command better paying jobs will play key roles in this effort,” Madsen said.

Statewide, construction continues to be the catalyst for Idaho’s growth. This sector saw 18 percent growth, and the nearly 8,000 new construction jobs accounted for over a quarter of all new nonfarm jobs generated since the second quarter of 2005

“The majority of those new jobs were in the specialty trades category, a category that reflects home construction,” Commerce & Labor analyst Kelly Campbell said. “Idaho has been a national leader in population growth, and the expansion of our construction industry underscores that.”

Other major new job contributors were professional and business services and trade, transportation and utilities. Each accounted for 15 percent of job growth.

Employment and janitorial services along with call centers were primarily responsible for the expansion of the professional and business services while wholesale and retail trade dominated with expansion of grocery stores, building material outlets and general merchandise stores including big box retailers.

The financial sector posted 9 percent growth, about 2,700 jobs. The bulk of the growth was in banks, credit unions and mortgage brokers, which respond to the population and housing boom.

Almost 11 percent of the new job growth was in education and health services, primarily from the expansion of outpatient clinics and home health care businesses.

Even with escalating fuel prices, general freight trucking posted a year-over-year increase in jobs.

The tourism sector grew by nearly 8 percent from the previous year, nearly 2,000 jobs. Half those were at golf courses, country clubs, ski areas, fitness clubs and similar businesses. Lodging revenues statewide were up nearly 10 percent from a year earlier, and there were about 1,000 new jobs to meet the rising consumer demand in food services and taverns and lounges despite the pressure on personal budgets from escalating energy costs.

Regionally, the Boise metropolitan area posted the strongest growth at just over 5.8 percent, accounting for nearly half of all the new job growth. Construction is driving the regional economy. Dramatic population growth over the past several years and heightened investor interest in buying local property has kept the sector incredibly strong, and retail and services have expanded, following the population growth. National chains like PF Changs and Levi Strauss view the Boise area as a growth market.

The Idaho Falls area followed with a job gain of nearly 5.5 percent, or about 2,800. The Idaho National Laboratory continued hiring over the year, and temporary employment services were tapped to fill job orders from larger employers and processing plants. Both residential and commercial construction remained strong, and retail trade in what is an economic hub for eastern Idaho continued expanding to accommodate the growing economy.

Coeur d'Alene and Kootenai County, which have been growth magnets for several years, posted a year-over-year job increase of more than 4.5 percent. Construction was a major contributor there as well followed by retail trade.

The Pocatello area expanded 3 percent, again on the strength of construction activity, call center expansion and retail trade. There was also growth in manufacturing with H.J. Heinz adding a new product line to its potato processing plant and boosting payroll to 600.

Current Employment Statistics are at <http://lmi.idaho.gov/?PAGEID=67&SUBID=201>.